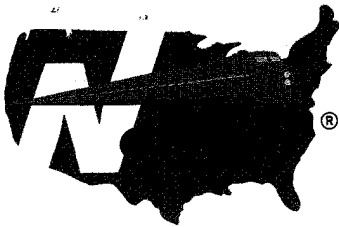


(M)



RECORDATION NO. 21160 FILED

JAN 14 '98

11-42 AM

NorRail®, Inc.  
Buying, Selling, Leasing  
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K. Street NW, Suite 700  
Washington, D.C. 20423

January 6, 1998

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of September 17, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.  
308 - 12th Avenue South  
Buffalo, MN 55313  
Phone: 612-557-0215

Lessee: Lake Region Grain Cooperative  
10th Street, P.O. Box 782  
Devils Lake, ND 58301-0782  
Phone: 612-641-6511

The Memorandum of Railcar Lease Agreement covers 36 Covered hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad  
Vice President & General Counsel  
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

RECORDATION NO. 21160 FILED

JAN 14 '98

11-42 AM

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of September 17, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Lake Region Grain Cooperative a Minnesota Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1756 dated September 17, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 36 covered hopper railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

Lessee: NORRAIL, INC.

By: [Signature]

Its: President

By: [Signature]

Its: U.P. SALES

Lessor: LAKE REGION GRAIN  
COOPERATIVE

By: Richard E. Kurtz

Its: President

By: [Signature]

Its: Secretary

# EXHIBIT A

To

## MEMORANDUM OF RAILCAR LEASE AGREEMENT #1756

### Railcar Marks/Numbers

Original Cars remaining on Lease:

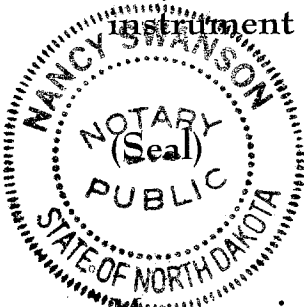
NRLX 46050	NRLX 46109
NRLX 46084	NRLX 46113
NRLX 46086	NRLX 46114
NRLX 46087	NRLX 46119
NRLX 46090	NRLX 47022
NRLX 46094	NRLX 47026
NRLX 46099	NRLX 47033
NRLX 46100	NRLX 47071
NRLX 46103	NRLX 47275

New cars for lease (Originally with HS - Madison):

NRLX 46024	NRLX 46034
NRLX 46025	NRLX 46035
NRLX 46026	NRLX 46036
NRLX 46027	NRLX 46037
NRLX 46028	NRLX 46038
NRLX 46030	NRLX 46039
NRLX 46031	NRLX 46040
NRLX 46032	NRLX 46041
NRLX 46033	NRLX 46042

STATE OF ND, COUNTY OF Ramsey  
TO WIT:

On this 30<sup>th</sup> day of September, 1997 before me  
personally appeared, Richard E Kurtz and Alex  
Leiphon, to me personally known, who being by me  
duly sworn, says that they are the  
President and Secretary, respectively of  
Lake Region Grain Coop Inc., a ND  
Corporation, that said instrument was signed on behalf of  
said corporation by authority of its Board of Directors, and  
they acknowledged that the execution of the foregoing  
instrument was the free act and deed of said corporation.

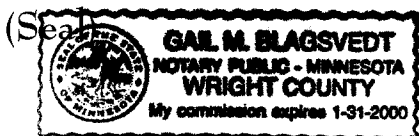


Nancy Swanson  
Notary Public

My commission expires: 3-7-2001

STATE OF MINNESOTA, COUNTY OF WRIGHT TO  
WIT:

On this 30<sup>th</sup> day of October, 1997 before me  
personally appeared, Robert D. Johnson and L. Lee  
Stubble, to me personally known, who being by me  
duly sworn, says that they are the  
President and V.P. Sales, respectively of  
NorRail, Inc. a Minnesota Corporation, that said instrument  
was signed on behalf of said corporation by authority of its  
Board of Directors, and they acknowledged that the execution  
of the foregoing instrument was the free act and deed of said  
corporation.



Gail M. Blagsvedt  
Notary Public

My commission expires: 1-31-2000